Automotive News

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DEPRECIATION:

Business to lose fast write-off under tax bill

PLANT
Cost $200 Million

Year	Current Law	Proposed Bill
1	17,600,000	6,084,656
2	16,800,000	6,349,206
3	15,200,000	6,349,206
4	13,800,000	6,349,206
5	12,600,000	6,349,206
6	11,400,000	6,349,206
7	10,400,000	6,349,206
8	9,400,000	6,349,206
9 - 19	8,400,000	6,349,206
20	400,000	6,349,206
21 - 31		6,349,206
32		3,439,164
	200,000,000	200,000,000

AUTO
Cost $15,000

Year	Current Law	Proposed Bill
1	3,200	3,000
2	4,800	4,800
3	4,800	2,880
4		1,728
5		1,728
6		864
	12,800*	15,000

Depreciation figures under new schedules may change before tax code is finalized.
* Limited by luxury car provisions of tax law.
SOURCE: Jeffery B. Kane, partner, Arthur Anderson & Co.

Photo by Joe Wissens/Design by Charlotte Winter

Tax reform plan expected to boost year-end car sales

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Auto analysts expect a flurry of car buying late this year because of tax reform. The bad news is that the year-end buying will steal sales from 1987, they say.

Analysts forecast that sales by year-end could be 100,000 to 200,000 units higher than predicted before tax reform. They also say 1987 will see a decrease of the same magnitude from earlier forecasts.

Tax reform eliminates the sales tax deduction and begins phasing out interest deductions Jan. 1, 1987.

Howard Leonard, auto analyst with FNC Financial Corp., compared the situation to the personal computer market late last year.

Computer makers announced late in 1985 that prices of personal computers would increase Jan. 1, 1986. The announcements triggered a frenzy of computer buying last Christmas.

Maryann Keller, of Furman Selz Mager Dietz & Birney, has upgraded her 1986 sales forecast to 11 million cars or more from her earlier prediction of 10.8 million to 10.9 million units because of a year-end buying surge.

"There will be a flurry of car buying, especially in the expensive category," she said. "If I were thinking of buying a Mercedes, you can bet I'd be putting my order in right now."

She noted that on a $20,000 car

see ANALYSTS, page 50

How tax bill would affect auto industry

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The tax bill agreed to by House and Senate conferees would treat the U.S. auto industry better in the short term than many of its heavy manufacturing brethren.

That's because the industry is profitable, interest rates are down, sales are relatively strong, and the major companies are wrapping up hefty new-vehicle and plant expenditure programs. The auto companies also have made major acquisitions that have diversified

see TAX BILL, page 50

Mexican-produced LeBaron expected in U.S. in March

Jerry Mathis

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Jerry L. Mathis, managing director of Chrysler de Mexico, expects his company will have to export J-cars from Mexico by March to meet U.S. demand.

The J-car is the mid-sized Chrysler LeBaron specialty coupe that will join the U.S. lineup early in January. A convertible, which will be built only in the United States, will be introduced next spring.

He said that Chrysler de Mexico's overall export target for 1987 is $1.5 billion, and he called for greater flexibility in the Mexican government's dealing with the local automotive industry.

He also said the company plans to continue adding to its workforce.

Mathis, a vice president of Chrysler Motors, has been chief of the Mexican operation since March 1985.

He said confusion about

see MATHIS, page 54

Court issues injunction in Hyundai sales scam

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Hyundai Motor America last week obtained a judgment against two men who attempted to sell bogus franchises for the Korean car.

The stipulated judgment by Judge Warren H. Deering of Superior Court for the State of California awards $250,000 plus $10,000 legal fees to Hyundai if Jack LaFollette and Edward Yim violate an injunction that bars them from soliciting dealers for 25 dealerships LaFollette represented as having been issued to him by Hyundai Motor Co., Hyundai Motor America's Korean parent.

In a copyright story last week, Automotive News reported that at least 20 U.S. dealers have been offered phony franchises by apparently unrelated operators in the Southwest; Atlanta; New York; Washington D.C.; Minnesota; and Chicago. Hyundai Motor America attorneys earlier obtained cease and desist orders against several of the operators.

They accused LaFollette of soliciting contracts from dealers in California, Texas, Florida and Arizona. Judge Deering's judgement does not directly block LaFollette and Yim from operating in another state, but in such an instance Hyundai Motor America attorneys could move to collect the $260,000 award and request contempt of court action here while proceeding against the duo elsewhere, a HMA spokesman said.

LaFollette's attorney, Ramon Grolock, told Automotive News that his clients "thought they had something going in Korea" and that they paid more than $10,000 to an unnamed contact in Seoul who allegedly arranged the deal for the 25 franchises. Grolock said LaFollette and Yim are pursuing a case against that person in Korea to recover their money.

The attorney said LaFollette's contact, whom he declined to identify, was previously in the electronics business and now reportedly has landed a job at one of Korea's other automakers.

see HYUNDAI, page 52

High inventories may delay GM '87 intro

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is considering delaying the introduction of some 1987 cars because of bulging inventories of 1986 models.

GM said the fall public introduction of 1987 models still is officially scheduled for the last week of September. However, sources said that because of pressure from dealers whose lots are filled with certain 1986 cars, GM is contemplating delaying some model introductions.

GM has confirmed it has extended the model changeover period for some of its assembly plants because of high inventories of certain models.

Buick and Oldsmobile dealers have told their divisions that they refuse to take as many new models as they normally would in September because of hefty inventories of 1986 models on their lots.

The dealers have been pressuring the divisions to do something to alleviate the inventory problem, including pushing back the introduction dates for some 1987 models until the inventory of 1986 models can be cleared.

Oldsmobile dealers want the division to hold off introduction of the 1987 Toronado and Delta 88 because they are overloaded with the 1986 versions of those cars. Buick dealers want the same thing for the

see NEW MODELS, page 52

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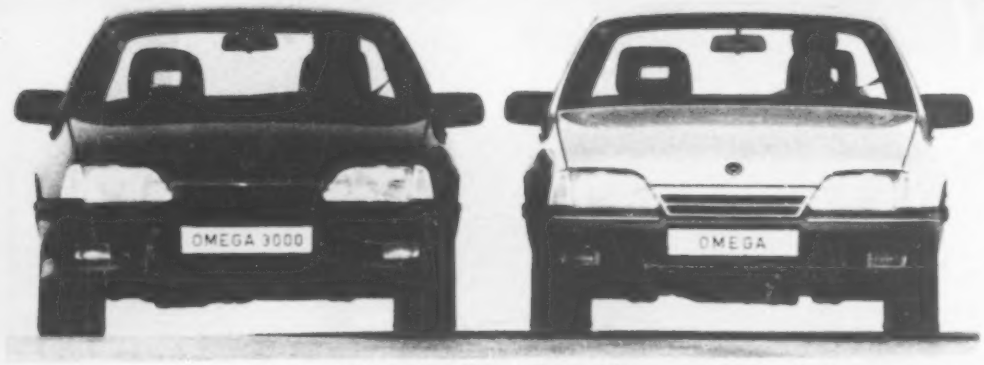
GM's CAFE plan: Retroactive rollback Page 6

Renault abandons Mexican car market Page 52



The suspension on the Omega 3000 is set slightly lower than on other models.

Opel reveals details of new V-car

RUESSELSHEIM, West Germany — Adam Opel has released the first technical details of its new-generation V-car, which will replace the Opel Rekord and Vauxhall Carlton in the next few months.

The new line has a low-drag body, an automatically adjusting all-independent suspension, new four-cylinder engines and a 140-mph sporting version.

Opel has chosen a new name — Omega — while its General Motors sister organization in the United Kingdom, Vauxhall Motors, has retained the Carlton label.

In about six months, GM's European subsidiaries will introduce their V-Specials, which will replace the more-upscale Senator sedan and Monza coupe. They will be derivatives of the V-car, which is offered as a four-door sedan and five-door station wagon.

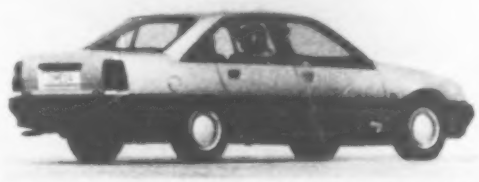
Omega is GM's European answer to part of the Ford Scorpio series. The forthcoming V-Specials will be more competitive with the top-line Scorpios, which will get revised V-6 engines with increased low-speed torque toward the end of this year.

Among Omega's other European rivals are the Renault 25, Volkswagen Passat, Audi 100 and Fiat Croma.

At the same time, GM is aiming for the seemingly recession-proof customers of Daimler-Benz, BMW, Volvo and Saab. Full-range makers like GM, Ford and Renault seem to suffer more from recessions than the specialist makers.

GM estimates that those market segments account for nearly 17 percent of total European sales, or about 1.8 million units annually.

Opel will manufacture Omega and Carlton in Russelsheim, where $490 million has been invested in production facilities. Among the automation systems are six huge transfer presses and separate modular assemblies for doors and interiors.



The lift-over height of the trunk sill is lower than normal on the Omega, making loading easier.

Omega has a front engine and rear-wheel drive. Four-cylinder engines, derivatives of GM's Family 2 design, have capacities of 1.8 and 2 liters and power outputs ranging from 82 to 122 horsepower, depending on state of tune. There are two diesels, including a turbo version.

The company is emphasizing its 3000 version, powered by a 177-hp 3-liter six. Having a high-speed, sporty version is regarded as important in West Germany — and doubly so, given Opel's stodgy image there.

The five-speed manual transmission is a new design. The automatic — a four-speed with lockup — has previously been used in Senator and Monza models.

Opel claims a class-beating drag coefficient of 0.28 for the new sedan. It uses flush-fitting side windows.

Omega is 184.5 inches long and has a 107.5-inch wheelbase. Weights range from 2,570 to 3,000 pounds.

Poling: 18 pct. share isn't enough for Ford

By Jenny L. King
AUTOMOTIVE NEWS STAFF REPORTER

Harold Poling: "We have the capability (to build) 20 percent of the car market and 30 percent of the truck market."

TORONTO — Ford Motor Co.'s long-term goal is to capture 20 percent of the total U.S. new-car market, but the No. 2 domestic automaker predicts a slightly lower share for this year.

"We'll do better than 18 percent, short of 20 percent" of an 11 million-car market, Ford President Harold Poling said here last week.

In a news conference preceding the opening show of Ford Division's 1987-model dealer preview, Poling said the corporation is climbing toward its goal of a 20 percent market share from 16.6 percent five years ago.

"We have the capability (to build) 20 percent of the car market and 30 percent of the truck market," he said. He said there are no plans to close any of Ford's North American plants and that Ford could not meet its market share goal if it reduced production capacity.

At the end of July, Ford's year-to-date share of the market was 17.82 percent, down from 19.10 on July 31, 1985.

The recent strike at the Taurus/Sable plant in Atlanta cost the company 24,000 units, production which he said might never be made up. To the question about a third Taurus/Sable facility, he responded, "Not yet."

Poling stuck with his prediction of 4.7 million truck sales for 1986 and suggested 1987 will be "a good year for cars, but they could drop 500,000" from the 11 million projected for 1986.

He refused to comment on the status of Rouge Steel sale talks. "Our objective is to find a way to run Rouge Steel profitably, to keep our employees," he said. "The problem isn't steel — there's plenty of steel."

Poling was highly critical of the Canadian government's attempts to work with foreign-car manufacturers on Canadian soil. He predicted that cars built in Canada by foreign-based companies would quickly find their way across the border into the U.S. market.

Poling also took a poke at General Motors, objecting to the No. 1 automaker's continued use of consumer incentives programs to increase its sales.

"They haven't increased their share of the market," he noted. "We (Ford) shouldn't be offering incentives. We do because GM does."

Marketing, product changes in works for Ford's '87 line

By Jenny L. King
AUTOMOTIVE NEWS STAFF REPORTER

TORONTO — Ford Division's 1987 new-vehicle line debuted here before the biggest announcement show crowd ever.

Ford marketing and advertising executives Ross Roberts and John Vanderzee told each of six dealer shows, with a total audience of 10,000, that four Thunderbird models will be available in a total of 16 versions, down from more than 160 (including option packages) two model years ago.

The Mustang LX convertible will get a $700 equipment package at no price increase, and the F-series trucks have been restyled and will feature anti-lock rear brakes.

The division's 1987 advertising theme reflects the corporate drive toward quality: "Best-Built American Cars, 6 Years Running. Have You Driven a Ford Lately?"

"It's easy to pick out the Mustang GT in a crowd — not that it's likely to be there long," says one Mustang television commercial. The F-series trucks are the "new shape of tough."

Thunderbird, "a driver's car," features anti-skid brakes and functional air scoops on the higher-horsepower, intercooled 1987 Turbo Coupe. The no-grille T-bird will have a 2.3-liter fuel-injected engine and five-speed manual; four-speed automatic with overdrive is optional.

Ford will bring in its Ford-designed, Mazda-engineered, Korean-built subcompact next spring, the only car in the lineup lacking Ford's aero styling.

At a news conference following the two-hour stage show, Ford Division General Manager Robert Rewey said Ranger pickups will be marketed as attractive alternatives to cars for younger buyers.

The 1987 F-series trucks will be introduced during the last quarter of the calendar year, he said. So far, it's a toss-up whether Ford truck sales will surpass car sales for the year.

Specialized marketing efforts have paid off in California for Escort and Tempo, Rewey said. A Ranger GT model also has done well there, he said.

U.S., Japan plan a series of talks in an effort to solve trade issues

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — U.S. and Japanese negotiators have slated bi-monthly committee meetings until the end of this year in an effort to solve some of the trade problems surrounding auto parts.

The principal difficulty facing U.S. companies seeking to supply Japanese automakers and the Japanese aftermarket is not the few governmental barriers, but the tight traditional relationship between Japanese manufacturers and their Japanese suppliers, U.S. delegates told their counterparts last week.

Undersecretary of Commerce Bruce Smart headed the U.S. delegation at the subcabinet-level meeting in the so-called Market-Oriented, Sector-Selective (MOSS) auto parts negotiations. Makoto Kuroda, vice minister for international affairs in the Ministry of International Trade and Industry, represented Japan.

At the initial auto parts subcabinet meeting last week, the negotiators set up the bi-monthly meeting schedule for a working-level committee that will outline questions concerning the auto parts issue. The committee met first on Aug. 22.

Those committee meetings will lay the groundwork for the United States and Japan to resume subcabinet-level meetings early next year.

Smart said the U.S. representatives last week outlined to the Japanese delegates their objectives for the auto-parts talks:

- To eliminate impediments arising from too-tight relationships between Japanese vehicle manufacturers and their traditional suppliers that preclude consideration of U.S. suppliers.
- To ensure that U.S. parts manufacturers have full access to the parts aftermarket for Japanese vehicles.
- To eliminate any Japanese government regulations and procedures that might limit market access.
- To facilitate U.S. companies' sales efforts through trade promotional and development activities conducted jointly by the U.S. government and MITI.
- To establish a monitoring system by which the United States can identify the types and quantities of parts being purchased.

"We made it specific that we

see TRADE, page 54

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Isuzu/Fuji U.S. site hunt narrowed

Isuzu Motors and Fuji Heavy Industries have narrowed their search for a U.S. assembly site to just two states, Indiana and Illinois, an Indiana government source said last week.

Up to five other states also had been in the running for the plant just one month ago, including Missouri, Ohio, Kentucky, Tennessee and Arkansas.

Last week, the two Japanese automakers received a commitment letter from Indiana detailing financial incentives available to them.

Illinois has not submitted a final proposal yet, a state official said.

Isuzu and Fuji are looking at sites in three Indiana cities: Lafayette, Terre Haute and Shelbyville. More than one location is under consideration in Illinois.

Last May, Isuzu and Fuji announced plans to set up a joint assembly operation in the United States. The plant initially will be able to produce a combined total of 120,000 Isuzu small trucks and Subaru cars annually.

Already under construction in Illinois is the Diamond-Star car assembly plant in Bloomington-Normal. Diamond-Star is a joint venture of Chrysler Corp. and Mitsubishi Motors.

Several Japanese-based automotive suppliers have operations in Indiana. Another Japanese components maker is expected to announce this week that it plans to build a plant in Illinois, a state official said.

— Dave Zola

TRUCK INDUSTRY

Industry reacts favorably to Volvo/GMC truck tieup

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The heavy-truck industry reacted favorably to the Volvo-General Motors plan to establish Volvo GM Heavy Truck Corp. and predicted that similar agreements and realignments will follow.

Meanwhile, other industry sources said that:

- The new company, when officially formed in a few months, will phase out GMC's Astro. It is expected to continue producing the Brigadier and General long- and short-nosed conventionals.
- GM may end up with considerably less than a 35 percent interest in the new venture firm. It has only the option to acquire up to that percentage.
- The new company, which will refranchise all GM and Volvo heavy-truck dealers, will likely end up with about 350 dealers out of the current combined 520.
- The new company also will offer a variety of new services, such as more-complete finance and leasing packages and money to upgrade dealerships. The dealerships will be attractive, well designed and functional on the order of Volvo's European stores. Substantially more sales/service training will be provided.

Bernard Uhl, chairman of the American Truck Dealers division of the National Automobile Dealers Association, said that in view of worldwide overcapacity, the venture made good business sense to the manufacturers.

"We expect to see more of this kind of activity over the next few years because the market for heavy trucks will remain stagnant for some time to come," he added.

ATD intends to be involved in the issue of how this manufacturing consolidation will affect the dealer body, Uhl added.

Other industry observers expect heavy-truck joint ventures and mergers to "fall like dominos" during the next six to 10 years.

Navistar doesn't have a Class 8 partner, but it has a budding relationship with Nissan in the medium segment.

Mack has Renault, but it's a very weak partnership, since Renault is financially distressed.

PACCAR is starting a relationship with Volkswagen do Brasil.

Ford has no Class 8 partner, although it is trying to lower its heavy-truck manufacturing costs by importing more assembly components from Brazil for its assembly plant in Louisville, Ky.

The merging of Volvo White and GMC's heavy-truck operations may inadvertantly benefit competitors.

Peter Rupp, president and chief executive officer of Freightliner Corp., considers it "just another event in the American truck industry. We haven't attached a great deal of importance to it because these are two participants with the smallest market shares. It's not a jumbo marriage in any way."

Rupp added that the arrangement may have helped "all of us (competitors) by cutting down on excess manufacturing capacity," though he pointed out that there was plenty of excess left.

Individually, dealers like Eric Jackson, owner of Great Basin Truck Center of Salt Lake City and national dealer council chairman for Volvo White, hailed the venture.

"I'm finding a lot of optimism all over the country as dealers call me to discuss this merger," he said. "They're very complimentary of Volvo White's truck management and its ability to pull off this coup" in linking itself to a company the size of GM.

Another dealer, who asked for anonymity, said the GM-Volvo merger would help other dealers by reducing some of the cutthroat pricing competition.

Dealer profits have been eroded by intense price competition among manufacturers; by poor used-truck demand; and by poor new-truck sales profitability.

Robert Young, manager of the ATD 20 Group program at NADA, pointed out that dealers' net profit on sales fell to 1.1 percent at the end of June from 1.8 percent last September.

That represents net profit on sales of 135 to 150 participating heavy-truck dealers.

Young calculated that fully one-third of heavy truck dealers were losing money.

John Rock, manager of GMC Truck & Coach Operations, GM Truck & Bus Group, said GMC's market share had declined during the past several years, partly because it didn't want to buy market share by getting into the pricing foray.

Rock said that fewer than 30 of GMC's and Volvo's combined 520 heavy-duty dealers handle both makes.

Volvo White has no Canadian dealer organization, while GMC's Canadian dealers are exclusives.

Rock said that lack of overlap was one of the strong points in merging the two distribution systems.

Rock said that, as a "wild guess," he thought the new Volvo GM Heavy Truck Corp. probably wouldn't need more than 400 dealers.

GM expects to retain some of its eight truck centers where they don't compete directly with a strong, well-established GM/Volvo dealer nearby.

Some fleet buyers, like UPS, have their own complete service/maintenance facilities and buy only from the factory. And factory outlets will continue to handle such buyers, Rock added.

GMC expects to sell about 8,200 heavy trucks in the United States during the 1986 model year.

Rock said the venture wouldn't affect GMC's more than 600 medium-duty dealers, nor its franchise agreements and arrangements to import Isuzu trucks.

New Class 8 line expected from Peterbilt in autumn

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Peterbilt is expected to announce in late September an entirely new line of Class 8 conventional trucks.

Reportedly, the company will introduce a number of new vehicle identifications, two of them all-new and the balance replacing existing IDs.

The two new designations reportedly are the 375 and 377. They are long-nosed conventionals that will be offered in both set-back and set-forward axle configurations.

One of the lines is expected to be fully aerodynamic in design, similar to Kenworth's aero-styled T600.

The other is expected to offer compromise aero styling, featuring a conventional hood, for buyers who don't want a complete change in appearance.

Other new trucks expected to be announced include a 379 replacing the current 359 highway conventional series; a 357 replacing the current 353 line of on/off highway trucks; a 357A replacing the current 349A series, mainly used in construction; and a 357B replacing the current 349B series of construction vehicles.

Reportedly, the new models aim primarily at increasing cab space.

PACCAR, parent of Peterbilt and Kenworth, generally has a good reputation; but its cabs, some of them very dated, are small.

When Kenworth introduced the T600, it added an aerodynamic hood in front of an older-style cab.

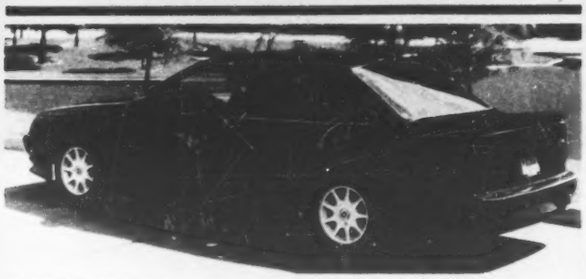
The new Peterbilt lines will feature all-new, larger aluminum cabs among their considerable changes, according to industry sources.

The company is running prototypes in New York and Montana and is expected to officially introduce its new line Sept. 26.

JUNE TRUCK REGISTRATIONS

		0000 & LESS GVW GRP 1	6,001-10,000 GVW GRP 2	10,001-14,000 GVW GRP 3	14,001-16,000 GVW GRP 4	16,001-19,500 GVW GRP 5	19,501-26,000 GVW GRP 6	26,001-33,000 GVW GRP 7	33,001- & OVER GVW GRP 8	TOTAL 1986	TOTAL 1985
DODGE	MO	26,935	15,497							42,432	44,404
	YR	147,764	72,285							220,049	262,018
*DAKOTA, RAIDER, CARAVAN, RAM VAN/CHARGER/50/WGN	MO	23,444	10,862							34,306	31,134
	YR	125,869	47,342							173,231	178,202
PLYMOUTH VOYAGER	MO	10,646								10,646	10,557
	YR	57,919								57,919	53,969
TOTAL CHRYSLER CORP.	MO	37,581	15,497							53,078	54,961
	YR	205,683	72,285							277,968	315,987
FORD	MO	75,671	43,243				815	2,682	955	123,366	107,461
	YR	392,376	233,681				5,003	16,572	5,666	653,298	616,081
*VAN, BRONCO, RANGER & AEROSTAR	MO	58,132	13,822							71,954	50,852
	YR	297,124	75,273							372,397	313,296
FREIGHTLINER	MO								1,733	1,733	1,712
	YR								8,659	8,659	9,300
MERCEDES-BENZ	MO						143	164		307	369
	YR						1,015	697		1,712	2,225
TOTAL DAIMLER-BENZ CORP.	MO						143	164	1,733	2,040	2,081
	YR						1,015	697	8,659	10,371	11,525
CHEVROLET	MO	67,718	44,490	2,748	10	30	431	829	31	116,737	106,815
	YR	362,355	239,063	13,344	157	162	3,167	5,431	248	623,927	587,863
*VAN, EL CAMINO, S10 BLAZER & ASTRO	MO	53,465	16,890							70,355	60,369
	YR	283,269	86,108							369,377	337,213
GMC	MO	15,845	12,905	283	15	605	397	1,182	504	31,736	30,015
	YR	82,593	65,580	1,390	120	1,764	2,589	11,353	3,721	169,110	163,421
*VAN, JIMMY, S15, CABALLERO & SAFARI	MO	11,987	4,312							16,299	14,157
	YR	62,102	20,758							82,860	77,560
TOTAL GM CORP.	MO	83,563	57,845	3,031	25	635	828	2,011	535	148,473	136,830
	YR	444,948	304,643	14,734	277	1,926	5,756	16,784	3,969	793,037	751,284
INTERNATIONAL	MO						1,202	1,886	2,235	5,323	5,922
	YR						8,036	10,186	12,590	30,812	34,653
JEEP TRUCK	MO	13,681	1,234							14,915	16,009
	YR	79,893	8,192							88,085	80,135
*WRANGLER/CJ's, CHEROKEE, WAGONEER & SCRAMBLER	MO	11,589	1,081							12,670	15,874
	YR	65,714	7,407							73,121	79,123
MACK	MO						269	244	1,616	2,129	3,050
	YR						1,167	1,165	8,645	10,977	15,899
KENWORTH	MO								775	775	863
	YR								5,138	5,138	5,650
PETERBILT	MO								752	752	1,076
	YR								4,682	4,682	6,273
TOTAL PACCAR CORP.	MO								1,527	1,527	1,939
	YR								9,820	9,820	11,923
AUTOCAR	MO								168	168	132
	YR								918	918	788
VOLVO	MO							61	86	147	182
	YR							522	490	1,012	1,127
WHITE	MO								622	622	718
	YR								3,559	3,559	4,356
TOTAL VOLVO WHITE CORP.	MO							61	876	937	1,032
	YR							522	4,967	5,489	6,271
WESTERN STAR	MO								76	76	97
	YR								539	539	581
MISCELLANEOUS DOMESTIC	MO		335					11	235	581	518
	YR		1,646					48	1,101	2,795	2,809
OTHER IMPORTS	MO	80,125	751	473	64	21	32	73	5	81,544	69,284
	YR	439,467	5,426	2,969	359	169	106	335	22	448,843	410,347
GRAND TOTAL	MO	290,621	118,905	3,504	89	656	3,289	7,132	9,793	433,989	399,184
	YR	1,562,367	625,873	17,693	636	2,095	21,083	46,309	55,978	2,332,034	2,257,495
1985 YR. TO DATE		1,460,468	639,943	18,171	468	3,384	26,101	38,598	70,362		

INCLUDES MULTIPURPOSE VEHICLES. Compiled from offical State Records by R.L. Polk & Co. Manufacturers' sales records are used in compiling Oklahoma for 1985 and 1986.



The JMX Ford Taurus

Modified Taurus aims at enthusiast prospect

HOUSTON — JMX Aero Styling & Performance has introduced its new JMX Ford Taurus, a radical modification.

JMX said Ford's strategy was to hit the middle of the projected market.

"We are aiming a bit left, focusing on a narrower market segment — the enthusiast," JMX said.

Body additions designed to enhance the car's aerodynamics are available in fiberglass and ABS and soon will be available in injected nylathane.

JMX is a division of Plus One of Houston. The car's suspension has been modified in a joint effort by Plus One of Houston and Suspension Techniques of Southern California.

Spring rates have been increased slightly to lower the car 1¼ inches in the front and 1½ inches in the rear. Anti-roll bars and bushings as well as performance struts are in the works, the company said.

Both 15-inch and 16-inch Fulda HR and VR speed-rated tires are available, along with Centra and Bottger wheels made in Germany. The 15-inch application can use either a 205/68HR15 tire or a 225/50VR15 size. The 16-inch wheels can be fitted with a 205/55VR16 or a 225/55VR16 tire.

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REGISTRATIONS

IMPORT REGISTRATION SHARES IN U.S.

	JUNE					SIX MONTHS				
	Regis. June 1986	Percent Share of Market	Regis. June 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85	Regis. 6 Mos. 1986	Percent Share of Market	Regis. 6 Mos. 1985	Percent Share of Market	Pct. Pt. Change '86 vs. '85
Toyota	55,118	18.52	53,574	20.92	−2.40	Honda	286,189	17.92	261,689	19.98	−2.06
Nissan	50,339	16.91	50,139	19.58	−2.67	Toyota	265,512	16.22	247,063	18.87	−2.65
Honda	49,409	16.60	46,400	18.12	−1.52	Nissan	261,516	16.37	236,748	18.08	−1.71
VW	19,961	6.71	17,474	6.82	−0.11	Mazda	110,609	6.93	82,702	6.31	+0.62
Mazda	16,322	5.48	15,106	5.90	−0.42	VW	104,049	6.51	87,702	6.70	−0.19
Subaru	13,465	4.52	13,185	5.15	−0.63	Subaru	89,137	5.58	71,270	5.44	+0.14
Hyundai	12,573	4.22	—	—	—	Volvo	55,725	3.49	49,827	3.80	−0.31
Volvo	11,499	3.86	9,333	3.65	−0.21	Mercedes	44,969	2.82	43,219	3.30	−0.48
B.M.W.	8,299	2.79	7,583	2.97	−0.18	BMW	44,1	2.77	40,929	3.12	−0.35
Mercedes	6,956	2.34	7,467	2.92	−0.58	Hyundai	37,477	2.35	—	—	—
Audi	—	—	7,150	2.79	—	Audi	—	—	36,247	2.77	—
Others	53,700	18.05	28,628	11.18	+6.87	Others	297,638	18.64	152,395	11.53	+7.11
TOTAL	297,641		256,047			TOTAL	1,597,006		1,309,811		
Share of U.S. Total		29.42		27.74	+1.68	Share of U.S. Total		29.47		24.91	+4.56

Imports soar to record and hike market share

By Jenny L. King
AUTOMOTIVE NEWS STAFF REPORTER

Registrations of imported cars set a record in June, and the imports increased their market penetration compared with both a year earlier and a month earlier.

Total import registrations were up 16.24 percent in June, to a record 297,641 from 256,047 in 1985. Figures from R.L. Polk & Co. showed imports claiming 29.42 percent of the market, up from 27.74 percent the same month a year earlier and up from 28.32 percent in May.

The top-10 lineup remained much as it was in June 1985. Hyundai, on sale in the U.S. only since February, pushed Volvo from seventh to eighth, followed by BMW and Mercedes-Benz.

Ten makes held 81.95 percent of the import market this June compared with 88.82 percent in 1985. Polk analyses include domestic-built units in VW, Honda and Nissan totals.

First-half new import registrations gained 4½ percentage points, advancing to 29.47 percent from 24.91 percent of the total market. In numbers, they were up 21.93 percent from the same 1985 period.

Mazda, up 0.62 percentage points, and Subaru, up 0.14 percentage points, were the only import makes to increase their shares of the market from year-ago levels. Hyundai moved into the top 10, pushing Audi out of that group.

Ten imports had 81.36 percent of the first-half total, compared with 88.37 percent in 1985.

Japanese makes accounted for 67.64 percent of the June import total, down from 70.70 percent in 1985. The German share dipped to 12.71 percent from 13.89 percent. Korea was the fifth highest seller in June by country of origin. The breakdown was as follows:

	June 1986	June 1985
Japan	201,337	181,019
West Germany	37,843	35,563
United States	23,837	22,446
Sweden	16,039	12,863
Korea	12,573	—
Britain	2,374	1,777
Yugoslavia	1,595	—
France	1,220	1,750
Italy	823	629
TOTAL	297,641	256,047

Year to year, the Japanese share of the market slipped to 68.21 percent from 69.88 percent. West Germany was down to 13.20 percent from 14.17 percent, while the U.S. (including U.S.-assembled Accords, Golfs and Sentras) was up to 9.17 percent from 8.73 percent. The totals:

	6 Mos. 1986	6 Mos. 1985
Japan	1,089,388	915,304
West Germany	210,844	185,650
United States	146,453	114,354
Sweden	78,859	68,983
Korea	37,477	—
Britain	11,600	9,545
Yugoslavia	10,760	—
France	7,664	12,431
Italy	3,961	3,544
TOTAL	1,597,006	1,309,811

Registrations of imported trucks were up 18.42 percent in June, to 89,553 from 75,625 last year. Of the four top makers, Nissan was the only one to fall below last year's total. Toyota was up 11.52 percent, Mazda was up 43.88 percent and Isuzu was up 2.88 percent. Totals for each were as follows:

	June 1986	June 1985
Toyota	33,738	30,252
Nissan	18,986	19,035
Mazda	13,752	9,558
Isuzu	6,175	6,002
Others	16,902	10,778
TOTAL	89,553	75,625

First-half imported truck registrations were up 9.14 percent, to 493,639 from 452,289.

	6 Mos. 1986	6 Mos. 1985
Toyota	187,343	170,492
Nissan	106,449	128,281
Mazda	69,236	51,258
Isuzu	42,331	23,394
Others	88,280	67,763
TOTAL	493,639	452,289

MARKET SHARES

6 MONTHS
1986 VS. 1985

Make	1986 Market Share	1985 Market Share	Pct. Pt. Change '86 vs. '85
Chevrolet	14.60	14.75	−0.15
Ford	12.32	13.32	−1.00
Oldsmobile	9.76	10.04	−0.28
Pontiac	7.80	7.18	+0.62
Buick	6.80	8.16	−1.36
Honda	5.28	4.98	+0.30
Toyota	4.90	4.70	+0.20
Nissan	4.83	4.50	+0.33
Mercury	4.40	4.97	−0.57
Dodge	3.81	4.33	−0.52
Chrysler	3.17	3.40	−0.23
Plymouth	3.15	3.41	−0.26
Cadillac	2.63	2.70	−0.07
Mazda	2.04	1.57	+0.47
VW	1.92	1.67	+0.25
Subaru	1.65	1.35	+0.30
Lincoln	1.41	1.48	−0.07
Volvo	1.03	0.95	+0.06
Mercedes	0.83	0.82	+0.01
BMW	0.82	0.78	+0.04
Hyundai	0.69	—	—
AMC	0.66	1.28	−0.62
Audi	—	0.69	—
Other Imports	5.49	2.90	+2.59
Misc. Dom.	0.00	0.00	−0.00
TOTAL	5,418,562	5,258,967	

Based on new-car registrations from R. L. Polk & Co. Oklahoma from manufacturers' sales records.

TOP CARS

U.S. registrations for six months of 1986. Oklahoma numbers from manufacturers' sales records.

1986 Position		Make	1985 Position
1	790,853	Chevrolet	775,684 — 1
2	667,651	Ford	704,232 — 2
3	530,088	Oldsmobile	527,754 — 3
4	422,978	Pontiac	377,770 — 5
5	388,554	Buick	428,881 — 4
6	286,180	Honda	261,689 — 6
7	265,532	Toyota	247,063 — 8
8	261,516	Nissan	236,748 — 9
9	238,222	Mercury	261,572 — 7
10	206,776	Dodge	227,574 — 10
11	171,551	Chrysler	178,858 — 12
12	170,883	Plymouth	179,559 — 11
13	142,453	Cadillac	142,107 — 13
14	110,803	Mazda	82,702 — 15
15	104,040	VW	87,702 — 14
16	89,137	Subaru	71,270 — 17
17	76,286	Lincoln	77,717 — 16
18	55,725	Volvo	49,827 — 18
19	44,969	Mercedes	43,219 — 20
20	41,104	BMW	40,929 — 21
21	37,477	Hyundai	— —
22	35,430	AMC	67,364 — 19
—	—	Audi	36,247 — 22
	297,638	Other Imports	152,395
	46	Misc. Dom.	105
	5,418,562	TOTAL	5,258,967

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.

Cadillac's Allante gets its own tire design

DETROIT — Allante, the special car from Cadillac Motor Car Division, will have special tires.

Called the Eagle VL, they are from Goodyear Tire & Rubber Co. and will be the only size produced for Allante by Goodyear.

The main development challenge was to create a V-speed-rated tire with low rolling resistance and a smooth, quiet ride. The V rating means the tires are designed for speeds of excess of 130 mph.

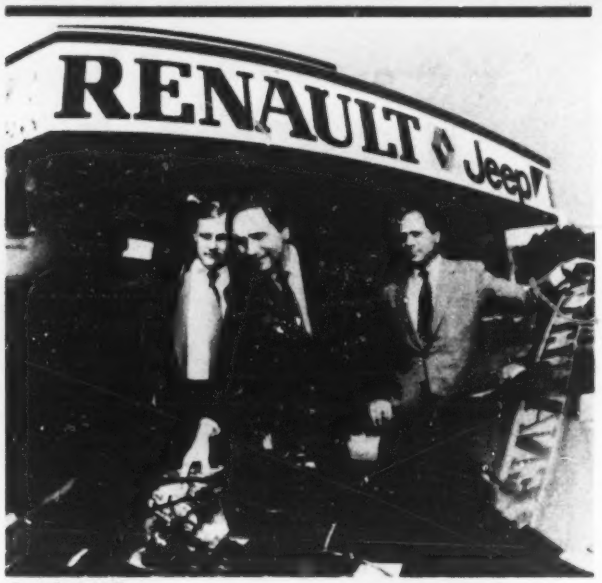
Each 26.2-pound tire is built of two polyester plies, two belts of steel cord and two overlays of nylon.

Goodyear said the Eagle VL is a result of its engineers working closely with tire specialists at Cadillac and General Motors during three years of development.

One of the top priorities was a quiet ride because Allante is a convertible/hardtop.

"The convertible was aimed at providing a ride with the top down that is as quiet at that of many sedans. That was a real challenge for tire designers," said Beale A. Robinson, Goodyear's chief of passenger-tire engineering.

The tire is a P225/60VR15. It is available only as a blackwall and has distinctive sidewall lettering and tread pattern.



Service talk
Jean Pierre Gerhart, center, director of manufacturing at Renault's assembly plant in Maubeuge, France, looks at a Renault engine. Gerhart talked to dealers in California recently about servicing for the 1988 Medallion, which is expected to arrive in showrooms in early 1987. Gerhart is flanked by Dean Greb, AMC's director of field operations, and Bob Williams, AMC's western regional manager.

AUCTION DATES

American Motors

Aug. 26 — Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Aug. 27 — Minneapolis Auto Auction, Plymouth, Minn.; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Mid States Auto Auction, South Bend, Ind.

Aug. 28 — Northway Exchange, Clifton Park, N.Y.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

Aug. 26 — Arena Auto Auction, Chicago, and Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 27 — Southern Auto Auction, Warehouse Point, Conn., and South Seattle Auto Auction, Kent, Wash.

Aug. 28 — Indianapolis Auto Auction, Indianapolis

Ford Motor Co.

Aug. 26 — South Seattle Auto Auction, Kent, Wash.

Aug. 27 — Columbus Fair Auto Auction, Obetz, Ohio, and Clanton's Auto Auction, Darlington, S.C. (tentative)

Aug. 28 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; and Floyd Hauhe Auto Auction, Bridgeton, Mo.

General Motors

Aug. 27 — Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction, Kansas City, Mo.; Atlanta Auto Auction, Red Oak, Ga.; and Brasher's Salt Lake Auto Auction, Salt Lake City

Aug. 28 — Arena Auto Auction, Chicago, and Ohio Auto Auction, Columbus, Ohio

Model Breakdown
Auction Averages

	AUG 1986	JUL 1986	JUN 1986
1986	$12,148	$12,574	$12,183
1985	$8,500	$8,522	$8,558
1984	$6,241	$6,259	$6,342
1983	$5,498	$5,501	$5,530
1982	$4,345	$4,358	$4,383
1981	$3,385	$3,395	$3,422
1980	$2,500	$2,528	$2,561
1979	$2,144	$2,164	$2,172
Overall Average	$5,222	$5,196	$5,194

Used Car Sales
Auction Averages

August to date	$5,222
Month ago	$5,191
Year ago	$5,504

Gem Motors acquires site for public auto auction

DENVER — Gem Motors Inc. has acquired a former truck terminal here as the site of Denver's first consumer auto auction.

Gem holds a franchise from Public Auto Auctions of America.

Progress reported in battle against odometer tampering

ST. LOUIS — The auto industry has made much progress in its efforts to end odometer fraud, according to Bernart Hart, executive secretary of the National Auto Auction Association.

Hart told the sixth annual National Odometer Enforcement Association that progress is being made in Congress, with the Senate approving a bill and the House considering another version.

Also, he said, the Odometer Tampering Elimination Committee (OTEC) has approved a resolution to stifle the practice.

However, Hart conceded that "no one segment" could solve the problem for all people. He said that only an all-industry approach could halt the increase in odometer fraud.

Hart said that the American Auto Leasing Association has resigned from OTEC and that the National Automobile Dealers Association has been "inactive," attending only one of four major meetings in Washington.

Richard C. Morse, chief of the Odometer Fraud Staff of NHTSA's Office of Enforcement, said later that he blamed new- and used-car dealers for some tampering.

"A lot of them know what's going on and turn their heads," he said. "Odometer fraud is a silent conspiracy." Morse represents the federal government on OTEC.

Morse said rollbacks "skew the used-car market and put dealers at a competitive disadvantage."

A report issued during the conference estimated that half of the 4½ million leased cars in one state had false odometer readings. Because of the extent of the fraud, the federal government and many states are upgrading the offense from misdemeanor to felony and are imposing stiffer penalties, including long prison terms.

Wayne Morton, representing the National Independent Automobile Dealers Association, said his organization has been "in the forefront of this struggle," but "we cannot and will not support any movement that attempts to use the used-car industry as scapegoats or use methods that only label all as being bad."

"The more we dig, there is some involvement by organized crime," Missouri Attorney General William L. Webster said after his keynote address.

Webster told the meeting "that new-car dealers are our greatest ally in our fight to protect the public against rollback fraud."

In the legislative effort to tighten the laws and put teeth into enforcement, "we have received marvelous support" from the franchised dealers, Webster said. After all, "when a new-car dealer has a floorplan, has erected a building and has assumed a franchise for millions, he cannot afford to have rollbacks."

Webster estimated that rollbacks cost Missourians $100 million a year; federal officials put the national loss at $4 billion annually.

John R. Fleder, director of the U.S. Department of Justice's Office of Consumer Litigation, said that "the federal government will prosecute the most culpable tamperers and no one will be immune."

Webster said his office is working with the Missouri Legislature to stiffen penalties because "this is no longer a petty white-collar crime."

OTEC passed a resolution calling on all states to engage in a vigorous law-enforcement program to apprehend and prosecute odometer tamperers, and to enact legislation and administrative practices to prevent title washing and provide felony penalties for tampering.

Several new ways to detect tampering were demonstrated at the meeting.

Carfax Inc. of Columbia, Mo., is compiling a database of title histories in several Midwest states. It has two million on file now in Missouri, Kansas and Iowa and is expanding into Texas.

Another national title
A hydroplane powered by a Pontiac Fiero engine won the 2.5-liter modified class race at the American Power Boat Association nationals, held Aug. 16-17 in Lowell, Ore. The boat's team, based in New Baltimore, Mich., clocked a 99.7 mph average speed. It was the second consecutive year the boat had won the race.

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AN-8/25/86

Dealer service grosses soar; looks like trend

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Several shop managers indicated dealerships are placing a greater emphasis on increasing business and improving productivity in the backshop.

Service and parts business at new-car dealerships soared in June to cap an increase for the first six months of 1986.

The Automotive News Service Index found that shop business at dealerships in June amounted to 114.3 percent of the volume recorded in June 1985.

The June increase was the fourth straight month in which service volume topped that of the year-ago month, and it was the largest gain of the year.

An industry source attributed increased service business to the growing population of automobiles after three strong years of industry sales. He also said the emphasis by manufacturers to offer service contracts, as well as the increased complexity of today's automobiles, has brought customers back to the dealers for service.

Several shop managers indicated dealerships are placing a greater emphasis on increasing business and improving productivity in the backshop.

A service manager at a southern Chevrolet dealer, for example, said the shop was "revamped" and 10 mechanics were recently added. The increase in service business, he believes, comes as a result of the emphasis placed by the manufacturers on improved customer satisfaction.

In May, the index showed an advance of only 2.4 percent over May 1985. Prior to June, the year's largest increase in service volume occurred in January, when the indicators registered a 7.4 percent gain over January 1985.

In the first six months of 1986, service and parts volume showed a gain of 5.1 percent over the 1985 period.

In June, total labor sales (customer paid and warranty) recorded the biggest gain, up 17.8 percent.

Shop parts sales (customer paid and warranty) were up 15.7 percent; sales of all parts and accessories climbed 14.8 percent; gross profit on all labor, parts and accessories sales was up 13.7 percent; and repair orders written were up 9.5 percent.

In addition, parts and accessories sales to off-premises customers were up 14.1 percent in June.

Total labor sales also registered the biggest gain for the first six months of 1986, climbing 9.8 percent over the year-earlier period.

Other indicators showing gains for the first half were gross profit on all labor, parts and accessories sales, up 7.7 percent; shop parts sales, up 5.4 percent; and sales of all parts and accessories, up 2.4 percent.

SERVICE INDEX 114.3*

	June '86 vs June '85	6 mos. '86 vs 6 mos. '85
Gross Profit on All Labor and P&A Sales	+13.7%	+7.7%
Repair Orders Written	+9.5%	0.0%
Total Labor Sales (Customer & Warranty)	+17.8%	+9.8%
Shop Parts Sales (Customer & Warranty)	+15.7%	+5.4%
Sales of All P&A	+14.8%	+2.4%

*—Survey by Automotive News shows that dealers' service and parts business in June 1986 was 114.3 percent of business in June 1985. Service business in the first 6 months of 1986 was 105.1 percent of business in the corresponding period in 1985.

Repair orders written registered no change.

Parts and accessories sales to off-premises customers were down 0.4 percent in the first half of 1986.

Taiwan OKs U.S. exports with names of Japanese

TOKYO — The government of Taiwan has decided in principle to allow imports of Japanese brand-name sedans produced in the United States.

Taiwan does not allow imports of cars built in Japan.

The Ministry of Economic Affairs said the importation of the Japanese-based sedans is in line with the government's trade-liberalization policy and will help offset Taiwan's large trade surplus with the United States.

Meanwhile, reports from Taiwan indicate that the government will rescind the export requirement for automotive joint ventures between Taiwanese and foreign companies.

According to the Free China Newsletter, distributed here by an agency of the Taiwanese government, the Ministry of Economic Affairs will allow imports of Japanese sedans on condition that the cars are given a U.S. certificate of origin.

According to Hsu Kuo-an, director of the Industrial Development Bureau, Taiwanese auto manufacturers will not be affected much by those imports because of their relatively high price, the problem of obtaining parts and accessories and the current high tariff.

The export requirement for automotive joint ventures between local and foreign firms was included in a law enacted in March 1985 to protect the domestic auto industry.

Currently, a joint venture between Toyota Motor Corp. and Taiwan's Kuo Zui Motors Ltd., for example, has to export 12.1 percent of its automotive production in the third year of operation and 12.5 percent in the fifth year.

Kuo Zui Motors, 22 percent owned by Toyota, is scheduled to start producing 25,000 of Toyota's Corolla-class cars and 15,000 commercial vehicles annually starting in 1988.

The U.S. has strongly criticized the Taiwanese export requirement. President Reagan recently appointed a commission to study the requirement to determine if it will result in some of the cars being exported to the United States.

New from BMW
BMW has released the first official photographs of its new 7-series, which is to debut at the Paris Auto and Truck Show in October. The first model in the series to be sold in Europe will be the 735i, which has a 3.5-liter engine. BMW says the aerodynamic 735i has a top speed of 145 mph. The 730i, to be available in early 1987, will be powered by a new 3.0-liter engine and will have a top speed of 140 mph. Introduction of the flagship 750i, with a new 5.0-liter V-12 engine, will follow at the end of 1987 or in early 1988. The BMW 7-series will not be available in the United States until 1988.

China resumes output of Jeep Cherokee

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Beijing Jeep Corp., a joint venture company formed by American Motors and the People's Republic of China, resumed production Aug. 8 on its Chinese-built Jeep Cherokees following a seven-week delay brought about by Chinese currency restrictions.

Jeff Trimmer, general manager of AMC's Far East operations, said AMC began sending hundreds of Jeep Cherokee kits to China in mid-June after an agreement was reached between Chinese government officials and AMC. The Chinese firm received the kits in early August, Trimmer said.

The Beijing joint venture between the Chinese and AMC began three years ago. It now assembles the Jeep Cherokee and produces the BJ212 model, a decades-old utility vehicle.

AMC began sending Cherokee kits to China last fall. But it stopped delivering the kits in May because the Chinese government could not make dollar-based payments to AMC due to a shortage of foreign currency. As agreed upon in 1983, AMC stopped delivering U.S.-made Jeep kits when the Chinese could not guarantee payment.

An agreement signed in May by AMC and the Chinese National Automotive Industry Council calls for an increase in Chinese-made parts in the locally assembled Jeep from 9 percent to 25 percent during the next year, according to Trimmer. He added that the projected increase is a goal and not a mandate since the Chinese do not have a sufficient local base of suppliers.

The Chinese have also promised to buy a minimum of 2,000 Cherokee kits for the 1987 model year. More will be ordered if the demand for the vehicle grows. Trimmer added that he anticipates the joint venture will produce approximately 2,500 Cherokees during the 1987 model year.

The total retail price of the Chinese-built Cherokee is $19,000; however, Beijing Jeep Corp. will receive only the equivalent of $12,500 in foreign currency. The balance — the equivalent of $6,500 — will be paid in local currency.

So far, AMC has been reinvesting its share of the profit from BJC in the joint venture. Trimmer said AMC hopes to bring some of its profits back to the United States after Beijing Jeep is sufficiently capitalized and market penetration grows.

Trimmer said BJC would like to build 20,000 Jeeps a year by 1990. An AMC spokesman said the Chinese would like to reach 80 to 90 percent domestic (Chinese) content by 1991; however, AMC executives have warned that to achieve that goal, the project will need substantial help from the Chinese government. No estimates are available on how much money would be needed to set up the suppliers necessary to achieve the 80 to 90 percent domestic content.

The suspension of Cherokee production also delayed an increase in the number of Jeep models assembled in China, Trimmer said. AMC officials are hoping to add the Comanche pickup truck to Chinese production soon.

Trimmer added that a business plan is being drawn up by Beijing Jeep executives covering such issues as when Comanche production will begin in China; increasing AMC's 31.3 percent (or $16 million) share in the joint venture; and investment in the present plant.

The business plan will be reviewed by both the Chinese government and Beijing Jeep directors this fall.

Croatian group calls Yugo boycott

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Yugo dealers and the car's U.S. importer say they anticipate little disruption from a boycott of the subcompact by a dissident Yugoslav political group.

The Croatian National Congress, which says it has a worldwide membership of 4,000 to 5,000, said it will launch a boycott of the Yugo Sept. 6 at the Yugoslav ethnic festival in Detroit.

The group also plans to picket some Yugo dealers, according to Nikola Jurisic, a spokesman for the Croatian group.

"Our objective is to inform the public of the low quality of the car and to expose the U.S. State Department support of Yugoslavian trade," Jurisic said. "We feel the State Department support of Yugo only serves to perpetuate another police state and it denies the Croatian nation the basic right of self-determination without increasing convincingly national security."

William E. Prior, president of Yugo America, the car's U.S. importer and distributor, said he is not concerned.

"It's a long-standing tradition that American companies are involved in industrial cooperation with business ventures in Yugoslavia," Prior said, "for instance, General Motors, General Electric and Dow Chemical.

"The Yugo project is really within this tradition. We are not going to get into a political debate because that is not what we are marketing."

The Croatian National Congress has been critical of the quality of the $3,990 Yugo GV since it went on sale in the United States in August 1985. Jurisic called the vehicle "a technologically outdated car."

Prior said 550 improvements were made to the Yugoslav car with the aid of the Yugoslav manufacturer, Zavodi Crvena Zastava, before the subcompact was marketed in the United States.

"Since the inception of production last year, an additional 176 product improvements have been made on a running-change basis without the price of the car going up a penny," Prior said. "That's the best indication I can give of the commitment Zastava has and we have to ensuring the car provides the basic functional transportation that our marketing concept talks about."

Jurisic said the Croatian National Congress informed 150 Yugo dealers of the planned boycott in letters dated Aug. 11 and Aug. 17.

Yugo has 220 dealers. Those contacted by Automotive News anticipated few problems due to the announced boycott.

"It's a shame," said Jeannette Crisconi of Crisconi Oldsmobile-Yugo, Philadelphia.

PRODUCTION

U.S. CAR	Week Ended Aug. 23, 1986	Week Ended Aug. 24, 1985	Week Ended Aug. 16, 1986	Aug. to Date	Jan. 1 to Aug. 24, 1986	Jan. 1 to Aug. 23, 1986
AMERICAN MOTORS	1,500	2,886	1,185	4,425	72,852	35,526
Renault Total	1,500	2,886	1,185	4,425	72,852	35,526
Alliance	1,500	2,098	1,185	4,425	46,079	32,181
Encore	0	788	0	0	26,773	3,347
CHRYSLER MOTORS	19,400	16,405	19,035	59,153	852,410	872,064
Plymouth Total	6,900	5,080	6,827	20,886	247,886	263,743
Horizon	3,000	2,805	3,744	10,614	96,189	111,771
Sundance	1,000	0	0	2,512	0	8,373
Reliant	2,200	1,691	2,106	5,214	107,793	102,171
Caravelle	500	357	679	1,727	32,229	29,550
Gran Fury	200	227	298	819	11,655	11,878
Chrysler Total	4,600	5,268	4,471	14,205	275,739	272,119
Laser	0	787	0	0	35,180	27,230
LeBaron	800	825	803	1,203	62,969	65,075
LeBaron GTS	1,000	712	0	2,339	61,406	44,788
New Yorker/E-Class	800	749	1,009	2,536	44,828	49,985
Fifth Avenue	2,200	2,195	2,859	8,127	74,356	85,032
Dodge Total	7,900	6,057	7,737	24,082	324,805	336,202
Daytona	0	601	0	0	32,050	30,807
Omni	3,000	2,551	3,627	10,381	93,734	107,795
Shadow	800	0	0	2,117	0	7,350
Aries	2,000	1,535	1,983	4,678	89,593	80,158
Dodge 600	500	239	638	1,654	43,366	46,410
Lancer	600	482	0	1,344	43,307	35,388
Diplomat	1,000	669	1,509	3,888	23,755	26,294
FORD MOTOR	40,422	34,748	28,153	105,299	1,086,263	1,157,293
Ford Division	27,631	23,425	19,213	70,092	721,770	790,806
Escort	7,946	7,751	7,868	25,471	214,926	251,268
EXP	0	0	0	0	3,838	0
Mustang	3,938	4,157	0	4,684	114,563	124,612
Tempo	4,316	4,008	3,334	12,050	122,480	128,885
LTD	0	4,092	0	0	139,398	0
Taurus	9,000	0	3,937	18,725	0	183,516
Thunderbird	2,431	3,417	3,074	9,163	119,443	102,525
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,791	11,323	9,940	35,207	366,493	366,487
Mercury Total	9,659	7,711	6,880	25,447	260,284	253,970
Lynx	1,497	1,406	1,404	4,612	47,949	42,716
Capri	653	368	0	696	12,365	11,664
Topaz	1,122	1,192	868	3,174	37,432	38,483
Cougar	3,379	2,715	3,060	10,082	87,537	84,090
Marquis	0	2,030	0	0	70,268	0
Sable	3,008	0	1,548	6,883	0	77,017
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	3,132	3,612	3,060	9,761	106,209	112,517
Continental	314	498	305	984	17,441	12,564
Lincoln	2,349	2,710	2,295	7,312	77,006	84,393
Mark VI/VII	469	404	460	1,465	11,762	15,560
GENERAL MOTORS	42,826	75,678	30,819	100,524	3,222,215	2,729,389
Buick Total	15,163	13,209	10,247	31,337	665,222	509,092
Skyhawk	1,585	1,718	1,371	3,386	71,566	56,545
Century	4,030	1,990	2,169	6,990	177,207	157,862
Regal	1,570	3,192	1,378	4,346	85,955	40,835
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	1,665	2,370	147	2,304	79,707	72,331
LeSabre (fwd)	4,900	0	3,723	9,951	0	95,869
LeSabre/Electra(rwd)	280	230	540	1,130	87,543	10,061
Electra(fwd)	0	2,462	0	218	76,165	56,102
Riviera	1,133	1,247	919	3,012	44,126	19,487
Cadillac Total	6,976	5,274	6,257	18,150	238,740	215,837
Cimarron	128	0	0	356	19,076	16,536
Cadillac (rwd)	2,400	0	2,204	6,414	30,049	55,828
DeVille (fwd)	3,230	3,062	2,567	6,850	112,766	107,883
Eldorado	641	1,453	759	2,291	50,333	18,513
Seville	577	739	727	2,239	26,516	17,077
Chevrolet Total	0	21,041	2,130	10,475	1,084,224	814,696
Chevette	0	2,825	0	0	112,291	61,031
Camaro	0	1,440	0	0	139,604	115,669
Cavalier	0	7,200	0	5,075	324,111	257,236
Celebrity	0	889	0	564	184,160	152,723
Citation	0	0	0	0	28,699	0
Monte Carlo	0	2,582	2,130	4,733	92,210	74,024
Chevrolet	0	5,110	0	0	170,886	127,707
Corvette	0	995	0	104	30,132	16,306
Oldsmobile Total	12,973	18,015	8,964	27,265	805,575	681,237
Firenza	835	1,173	759	1,801	41,900	25,201
Calais	1,799	2,926	227	2,457	98,038	76,945
Cutlass Ciera	2,048	4,809	2,225	4,911	237,586	172,915
Cutlass Supreme	879	4,629	1,327	3,323	151,950	87,354
88 (fwd)	4,368	0	1,591	6,659	0	218,441
88 (rwd)	360	0	330	954	159,094	12,703
Olds 98	2,195	3,739	1,892	5,351	90,530	73,565
Toronado	489	739	613	1,808	26,477	14,093
Pontiac Total	7,714	18,139	3,221	13,295	428,454	508,527
Acadian**	0	271	0	0	6,444	9,864
Fiero	1,352	2,789	0	1,352	72,478	45,684
1000	782	809	135	917	20,399	12,709
Firebird	1,620	1,379	1,020	3,137	74,845	73,577
2000 Sunbird	3,543	3,902	1,293	4,836	91,366	89,182
Grand Am	192	4,364	340	1,507	80,413	139,744
6000	0	3,030	0	619	32,802	95,588
Parisienne	225	1,595	433	928	47,707	42,179
HONDA	5,750	1,924	5,379	17,303	100,867	132,309
NISSAN	914	1,257	319	1,233	18,258	22,750
NUMMI*	3,731	1,900	3,731	11,939	27,182	131,801
VOLKSWAGEN	1,800	0	0	1,800	63,836	52,082
Total Cars, U.S.	116,343	134,798	88,621	301,676	5,445,883	5,133,216
Total Cars, Canada	13,114	24,224	10,084	32,630	677,660	677,175
N. American Cars	129,457	159,042	98,705	334,306	6,123,563	5,810,391
N. American Trucks	58,540	75,639	71,838	214,938	2,797,726	2,859,542
North American Cars and Trucks	187,997	234,681	170,543	549,244	9,470,533	8,669,933

Car production climbs to 116,343

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Scheduled domestic auto production jumped last week as several plants resumed output after being down for model changeover.

The makers estimated a build of 116,343 units last week, 31.28 percent more than the previous week's 88,621 but 13.69 percent below the year-ago week's 134,798.

So far this year, 5,133,216 cars have been assembled, 5.74 percent below the 5,445,883 built last year at this point.

Companies shared last week's targeted production as follows: General Motors, 36.81 percent; Ford Motor Co., 34.74 percent; Chrysler Motors, 16.67 percent; Honda of America Manufacturing Inc., 4.94 percent; New United Motor Manufacturing Inc., 3.21 percent; Volkswagen of America, 1.55 percent; American Motors, 1.29 percent; and Nissan Motor Manufacturing Co., U.S.A., 0.79 percent.

Chrysler will no longer produce its Laser model but will continue to assemble the similar Dodge Daytona at the St. Louis (No. 2) plant.

GM plants in Van Nuys, Calif.; Janesville, Wis.; and Lordstown, Ohio, resumed production last week after being down for changeover.

GM's Wentzville, Mo., plant was to resume production today (Aug. 25) after being down for model changeover. However, model changeover has been extended until Sept. 2.

GM's Detroit-Hamtramck plant, originally scheduled to resume production Sept. 11, will be down until Oct. 3.

Volkswagen's Westmoreland, Pa., plant resumed production last week. It had been down since July 14 for model changeover.

Ford's Chicago plant was scheduled for Saturday (Aug. 23) overtime.

All Ford plants except Wixom, Mich., are scheduled for daily overtime this week (Aug. 25).

GM scheduled no Saturday (Aug. 23) overtime.

Chrysler scheduled Saturday (Aug. 23) overtime at its Belvidere, Ill., and St. Louis (No. 2) plants.

The same plants are slated for two nine-hour daily shifts this week.

Canadian total trails '85

Extended model-changeover downtime at General Motors plants last week caused Canadian auto output to fall behind 1985's for the first time this year.

The company said its Oshawa, Ontario, plants remain closed due to a parts shortage.

Oshawa No. 1 will be down until Aug. 29, and No. 2 will be down until Sept. 4.

So far this year, 677,175 cars have been assembled, 0.07 percent below the 677,680 completed last year at this time.

Last week's scheduled output of 13,114 cars was 30.05 percent more than the previous week's 10,084 but 45.86 percent below the year-ago week's 24,224.

Truck production last week was estimated at 13,229, 3.93 percent more than the previous week's 12,729 but 18.32 percent below the year-ago week's 16,197.

GM's Ste. Therese, Quebec, plant resumed production Aug. 18 after being down for model changeover.

Volvo's plant in Halifax, Nova Scotia, is scheduled to resume production today (Aug. 25). The plant had been idle since Aug. 4.

American Motors' plant in Brampton, Ontario, began production of the 1987 Eagle model on Aug. 18.

Truck output drops 23 pct.

Production of domestic trucks dipped last week.

The makers scheduled 45,311 units, 23.34 percent below the previous week's 59,109 and 23.77 percent below the year-ago week's 59,442.

General Motors' Detroit plant is slated to return today (Aug. 25). The plant has been down since Aug. 8 for model changeover.

GM's Flint, Mich., plant resumes production today after being down for model changeover. It had originally been slated to resume Sept. 8.

All Ford Motor Co. plants except Lorain, Ohio, are scheduled for daily overtime this week.

The Lorain plant begins production of the 1987 Econoline model today.

Chrysler Motors' Warren, Mich., plant operated two overtime shifts Saturday. It is slated for two nine-hour daily shifts this week.

CANADIAN CAR	Week Ended Aug. 23, 1986	Week Ended Aug. 24, 1985	Week Ended Aug. 16, 1986	Aug. to Date	Jan. 1 to Aug. 24, 1985	Jan. 1 to Aug. 23, 1986
AMERICAN MOTORS	120	409	28	148	6,302	2,530
FORD MOTOR	11,302	11,250	10,056	32,437	320,909	336,317
GENERAL MOTORS	1,692	12,565	0	0	343,833	331,877
VOLVO	0	0	0	45	6,636	6,451
Total Cars, Canada	13,114	24,224	10,084	32,630	677,660	677,175

U.S. TRUCK☆	Week Ended Aug. 23, 1986	Week Ended Aug. 24, 1985	Week Ended Aug. 16, 1986	Aug. to Date	Jan. 1 to Aug. 24, 1985	Jan. 1 to Aug. 23, 1986
CHEVROLET	76	13,038	13,951	34,017	781,052	756,410
DODGE	3,200	5,040	3,358	10,025	138,842	62,599
FORD	27,426	23,507	26,981	87,390	767,903	925,329
GMC	5,145	6,982	5,758	19,334	241,916	237,972
NAVISTAR	1,597	0	1,571	5,055	49,570	46,426
JEEP	3,600	6,282	3,230	6,830	134,482	116,132
NISSAN	1,917	2,543	1,910	6,113	68,470	79,036
AM GENERAL*	50	50	50	160	1,640	1,662
MISCELLANEOUS*	2,300	2,000	2,300	7,360	60,903	75,440
Total Trucks, U.S.	45,311	59,442	59,109	176,293	2,244,678	2,301,008

CANADIAN TRUCK	Week Ended Aug. 23, 1986	Week Ended Aug. 24, 1985	Week Ended Aug. 16, 1986	Aug. to Date	Jan. 1 to Aug. 24, 1985	Jan. 1 to Aug. 23, 1986
AMERICAN MOTORS	900	0	889	1,589	0	17,754
CHRYSLER	8,494	7,546	8,301	25,282	256,177	257,446
FORD	3,648	3,125	3,546	10,675	105,020	105,136
GENERAL MOTORS	0	5,526	0	559	184,057	172,031
NAVISTAR	187	0	193	560	7,794	6,167
Total Trucks, Canada	13,229	16,197	12,729	38,645	553,048	558,534
N. American Trucks	58,540	75,639	71,838	214,938	2,797,726	2,859,542

Chevy builds first Corsica

LINDEN, N.J. — The first production Chevrolet Corsica was assembled here last week. The Corsica, which Chevrolet calls a compact sedan, will go on sale in early 1987.

Each Chevrolet dealer, however, has the option of leasing one Corsica or its sister car, the Beretta coupe, before they go on public sale. They will be used for such purposes as service rentals.

The remainder of the 14,000 cars produced by the end of this year will go to daily rental companies.

The 12-month modernization of the Linden plant represents a $300 million investment by General Motors.

During a 28-week pilot process, some 290 Corsica and Beretta pilot models were produced and evaluated by employees prior to the start of regular production.

About 100 employees returned to work last week, bringing current employment to more than 1,000 on one shift. After one-shift production reaches planned capacity, a second shift will be added.

The Corsica and Beretta will be exclusive models for Chevrolet.

Ford Atlanta resumes output of Taurus/Sable

Production of Taurus and Sable models resumed last week at Ford Motor Co.'s Atlanta, Ga., assembly plant following settlement of a 27-day strike.

Members of UAW Local 882 at the plant approved a new contract Aug. 15. The pact was ratified by 83 percent of those voting.

The Atlanta plant is one of two producing Taurus and Sable. Ford said the strike cost production of 24,000 of the strong-selling models. The other Taurus-Sable assembly plant is in Chicago.

Union members at Atlanta walked off the job July 19 to protest working conditions.

Sid Hamby, president of UAW Local 882, said the settlement resolved heat, ventilation, noise and asbestos problems in the plant.

He said the UAW also won the right to represent 26 employees at two warehouses supplying the assembly plant. The warehouses had been operated by a Florida-based company using non-union labor.